SUMMARY
American Recovery and Reinvestment Act
Health Information Technology for Economic and Clinical Health Act
(HITECH Act)

Funding: The Act provides a total of $20,000,000,000 for implementation of health information technology (HIT) programs. Of this amount, $2,000,000,000 is available for the HITECH programs while the remaining amount is available for distribution to the Medicaid and Medicare programs. Of the $2 billion, $300 million is to support regional and sub-national HIE efforts and $20 million to be transferred to NIST. Federal agencies may retain .25 percent for the administration of the programs.

> **Timing**: The provisions of the Act must be operational no later than 90 days after enactment, unless otherwise specified.

> **Key State Decisions Needed**: What governance and funding model should California utilize to receive and distribute the potential funding available for HIT?

Specific HIT Provisions and Key State Decisions Needed

Promotion of HIT: Establishes the Office of the National Coordinator to ensure the security and protection of patient's health information while improving the quality of care and reducing health care costs. Requires appointment of a Chief Privacy Officer to advise on privacy security.

HIT Policy Committee: Creates a policy committee with specified appointed members to address requires areas of consideration and other recommended areas of consideration. The committee will recommend standards through a specific process to ONC for regulation.

HIT Standards Committee: Creates a standards committee to make recommendations to ONC on standards, implementation specifications and certification criteria for HIE. In addition, the committee will be charged with harmonizing HIT standards and pilot testing recommendations.

Research and Development Programs: Requires NIST Director to establish assistance program to higher education institutions to develop innovative approaches to health care information enterprise integration system challenges.

Immediate HIT Funding: Requires DHHS to invest funds through different agencies such as ONC, AHRQ, CMS, CDE, Indian Health Services to support: HIT architecture that will support a nationwide electronic HIE, development and adoption of certified EHRs, training, infrastructure and tools for promotion of telemedicine, interoperable clinical data repositories and registries, best practices, and HIT for public health departments.

HIT Implementation Assistance: Provides assistance to providers to implement and use EHR technology, create a HIT research center to provide assistance and best practices for HIT use, and create and provide support up to 4 years to Regional Centers

to provide technical assistance and dissemination of best practices to support and accelerate adoption of HIT.

Timing: DHHS is required to issue a draft program description for applicants within 90 days of enactment of the Act.

State Decision Needed: Depending on definition of non-profit, a State government entity could apply and be eligible for up to 50% federal share for regional center funding. If so, a decision will be necessary to determine what, if any agency should administer the Regional Center.

State Grants to Promote HIT: The State grants may be provided to State government or a State designee for two grant programs; Planning Grants and Implementation grants. Planning grants shall be used in a manner to be determined by the Secretary of DHHS. Implementation grants shall be used to facilitate and expand the electronic movement and use of health information.

Timing: DHHS has 90 days from enactment to operationalize the program; an unknown application period and evaluation period will occur before funding is available

Key State Decisions Needed:
- What governance and accountability model should California use for HIT?
- Should a state entity be tasked to administer the State Grant Program?
  - o If so, which existing entity, or should another entity be established through legislation?
- Should CA utilize a state designated entity (SDE) to administer the State Grant Program? If CA uses a SDE how will the SDE be accountable to state and federal HIT/HIE goals?

Subsequent Actions Needed: If a State government entity is designated, legislation will be needed to designate entity to administer grant program and provide allocation authority.

If a non-government entity is to be designated, an Executive Order to designate may be needed.

Competitive Grants for Loan Program: Provides opportunities to States and Indian Tribes to compete for grants to develop loan programs to health care providers to facilitate the adoption of EHRs.

Timing: No federal awards will be made under this program prior to January 1, 2010.

Key State Decisions Needed:

- Will California participate in the Competitive Loan Program?

- Which entity in California government should administer the Competitive Loan Program?
- What type of funding (state or other) is available for federal match ($1 to $5) federal?

Subsequent Actions Needed: State legislation will be necessary to designate entity to administer program and provide appropriation authority for loan program.

Clinical Education Demonstration Program: DHHS grants school of medicine to carry out demonstration projects to develop academic curricula to integrate certified EHR technology in clinical education of health professionals.

Information Technology Professions on Health Care: DHHS assistance to expand medical informatics education programs at higher education institutions.

Privacy Provisions: Provides expanded application of HIPAA provisions to business associations, including civil and criminal penalties; breach notifications to DHHS; regional office privacy advisors, and specific changes to certain privacy provisions.

Medicaid Incentives for Health Information Technology: Provides incentive payments to eligible Medicaid providers to adopt and use certified EHR technology. Provides $40,000,000 for each fiscal years 2009-2015 and $20.000.000 for fiscal year 2016. A definitive share of cost was not available; however, for hospitals, it appears to be same as for other Medicaid funding.

Timing: Not indicated. Appears to be when State demonstrates to satisfaction of Secretary that the funds are being used to administer this program with adequate oversight and contains initiatives to encourage adoption of EHRs.

Key State Decisions Needed: What State entity should administer these funds? CalOHII recommends DHCS.

Subsequent Actions Needed: Appropriate legislation to authorize utilization of funds for this purpose.

Broadband: Establishes a national broadband service program. The act provides $4.7 billion in funding. There shall be not less than 1 grant in each State with grants being awarded before the end of 2010. There shall be no greater than 80% federal share.

Timing: Immediate

Key State Decisions Needed: The governance and current financing model for the proposed California Tele-Health Network is still not resolved.   The Administration's position on this question may impact the ability for CA to compete for additional resources under this section. Determining the governance model going forward may enhance CA competitiveness for additional Broadband funds.

Subsequent Actions Needed: Appropriate legislation to authorize utilization of funds for this purpose.